

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 EURE-00 EB-07 /020 W

-----171705Z 116167 /53

P R 171559Z JUN 77

FM AMEMBASSY ROME

TO SECSTATE WASHDC PRIORITY 5372

INFO USDOC WASHDC

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E.O. 11652: N/A

TAGS: BDIS, MASS, IT

SUBJECT: TRADE DISPUTE: ELICOTTERI MERIDIONALI/ALLISON

1. SUMMARY. A RANKING OFFICIAL OF ELICOTTERI MERIDIONALI (ME), MANUFACTURER OF HELICOPTERS AND PART OF THE IMPORTANT AGUSTA GROUP OF COMPANIES, HAS REQUESTED EMBASSY ASSISTANCE RE PROBLEM WITH DETROIT DIESEL-ALLISON INVOLVING REFUSAL OF LATTER TO SHIP ENGINES UNTIL LETTER OF CREDIT RECEIVED. EMBASSY REQUESTS DEAPRTMENT INQUIRY INTO MATTER. END SUMMARY.

2. ACCORDING TO EM, SOME TIME AGO THE ITALIAN AIR MINISTRY ORDERED, THROUGH THE EMBASSY IN WASHINGTON, A DOZEN ALLISON ENGINES (ALLISON 250/C20) FOR USE IN POLICE HELICOPTERS. DUE TO STRIKES, HOWEVER, WITHIN THE ITALIAN GOVERNMENT (AND NORMAL BUREAUCRATIC DELAYS) THE LETTER OF CREDIT HAS NOT YET BEEN ISSUED AND ALLISON HAS REFUSED TO SHIP WITHOUT IT. EM TRIED TO MOVE ROUND THE PROBLEM BY ISSUING A COVERING ORDER ON ITS OWN ACCOUNT AS A 'GUARANTEE'. ALLISON HAS REJECTED THIS ROUTE AS WELL.

3. EM REPORTS THAT GEN DE VITO, THE NEWLY INSTALLED HEAD OF COSTARMAEREO (THE PROCUREMENT AGENCY OF THE ITALIAN AIR FORCE), IS UPSET ABOUT SITUATION AND IS CONSIDERING WRITING AN ANGRY LETTER TO THE DEFENSE MINISTER ABOUT ALLISON'S "LACK OF FLEXIBILITY". (NOTE: THIS IS NOT RPT NOT A FOREIGN MILITARY

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SALES CASE).

4. THIS IS OBVIOUSLY A PROBLEM CREATED BY INEFFICIENCIES WITHIN THE GOI AND ALLISON'S ACTIONS ARE PROBABLY SOUND BUSINESS RPACTICE. HOWEVER, GIVEN THE IMPORTANCE OF THE AGUSTA GROUP (WHICH, INTER ALIA, PRODUCES HELICOPTERS ON LICENSE FROM SIKORSKY, BELL AND BOEING), EMBASSY RECOMMENDS THAT DEPARTMENT CONTACT

ALLISON TO DETERMINE JUST WHAT THE COMPANY'S POSITION IS. THIS
WOULD AT LEAST DEMONSTRATE SOME RESPONSIVENESS ON OUR PART.

5. CONTACTS AT ALLISON ARE: W. C. CAMPBELL, MANAGER, GAS TURBINE
SALES, AND (BELOW HOM) J. D. FLANDERS, MANAGER, DISTRIBUTOR AND
LICENSE SALES; DETROIT DIESEL-ALLISON DIVISION OF GENERAL MOTORS,
INDIANAPOLIS, INDIANA; TEL. 317-244-1511.GARDNER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: DISPUTES, TRADE, TRANSPORTATION, EQUIPMENT
Control Number: n/a
Copy: SINGLE
Sent Date: 17-Jun-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977ROME10051
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770217-0217
Format: TEL
From: ROME
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770645/aaaabnhf.tel
Line Count: 69
Litigation Code IDs:
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Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: a1fbfb7a-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 18-Mar-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2111847
Secure: OPEN
Status: NATIVE
Subject: TRADE DISPUTE: ELICOTTERI MERIDIONALI/ALLISON
TAGS: BDIS, MASS, IT, US
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/a1fbfb7a-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009